Supreme Court, U. S.
FILED
JUN 23 1972
E. ROBERT SEAVER, JR., CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1971

No. 71-1551

PEARL ROSNER,

Petitioner,

v.

DUCHESS MUSIC CORPORATION, *et al.*,

Respondents.

BRIEF FOR THE RESPONDENTS IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

JULIAN T. ABELES
ABELES AND CLARK
Attorneys for Respondents
745 Fifth Avenue
New York, New York 10022
(212) 755-0812

ROBERT C. OSTERBERG
JOHN S. CLARK
Of Counsel

TABLE OF CONTENTS

	PAGE
Opinions Below	1
Statute and Rules Involved	1
Statement of the Questions Presented for Review	2
Statement of the Case	4
The Determination of the District Court	7
The Determination of the Court of Appeals	8
ARGUMENT—The Determination of the Court of Appeals Is Not in Conflict With any Prior Decisions of this Court	10
The Determination of the Court of Appeals Is Not in Conflict With any Determination of the Court of Appeals for the Second Circuit	12
No Court of Appeals Has Held That a Duplicator of Another's Recordings Is Within the Purview of the Compulsory License Provision	14
The Determination of the Court of Appeals Will Not Create Music Monopolies or Grant Copyright Protection in Perpetuity	14
No Constitutional Rights of Petitioner Are Involved Herein	18
Conclusion	19
Appendix 1—Copyright Law, Section 101(e), amended effective October 15, 1971 (17 U.S.C. § 101(e))	20

PAGE

Appendix 2—Rules Adopted by the Supreme Court of the United States for Practice and Procedure in Actions for Copyright Infringement, 214 U.S. 533 (1909), as amended by 307 U.S. 652 (1939) .. 21

Appendix 3—Shaab v. Kleindienst, Civil Action No. 11-72 (D. D.C. 1972), Unreported Memorandum Opinion (Fahy, C.J., Corcoran, Green, D.J.'s), dated June 7, 1972 25

TABLE OF AUTHORITIES

CASES

Aeolian Co. v. *Royal Music Roll Co.*, 196 Fed. 926 (W.D.N.Y. 1912) 10

Bolling v. *Sharpe*, 347 U.S. 497 (1954) 18

Carr v. *U.S.*, 422 F.2d 1007 (4 Cir. 1970) 18

Compco Corp. v. *Day-Brite Lighting Inc.*, 376 U.S. 234 (1964) 11

Fortnightly Corp. v. *United Artists Television, Inc.*, 392 U.S. 390 (1968) 11, 12

Runge v. *Lee*, 161 U.S.P.Q. 770 (C.D. Calif. 1969), aff'd 441 F.2d 579 (9 Cir. 1971) 13

Sears, Roebuck & Co. v. *Stiffel Co.*, 376 U.S. 225 (1964) 11

Shaab v. *Klendienst*, Civil Action No. 11-72 (D.D.C. 1972), unreported memo. opinion June 7, 1972 .. 16

Shapiro, Bernstein & Co. v. *Goody*, 248 F.2d 260 (2 Cir. 1957), cert. den. 355 U.S. 952 (1958) 12, 14

PAGE

Shapiro, Bernstein & Co. v. *Remington Records, Inc.*, 265 F.2d 263 (2 Cir. 1959) 16, 17

United States v. *Alpers*, 338 U.S. 680, 682 (1949) 13

Wheaton v. *Peters*, 33 U.S. (8 Peters) 590 (1834) 18

LEGISLATION

Constitution of the United States

Art. I, Sec. 8, Cl. 8 15

Copyright Law, 17 U.S.C.

§ 1(e) 1, 3

§ 24 17

§ 101(c) 1, 2

§ 101(d) 1, 2

§ 101(e) 1, 2, 3, 12

Rules Adopted By The Supreme Court of the United States for Practice and Procedure in Action for Copyright Infringement, Rules 3-6 2

OTHER AUTHORITIES

Amdur, Copyright Law and Practice, § 6, pp. 329, 330 (1936) 11

Ball, Law of Copyright, § 212, pp. 462, 463 (1944) ... 10

Comment, Battle Over The Compulsory License: Mechanical Recordings of Music, 36 U. Colo. L. Rev. 501, 503 (1964) 11

PAGE

Diamond, Copyright Problems of The Phonograph Record Industry, 8 Bull. Cr. Soc. 337, 345 (1961) 11

Dubin, Copyright Aspects of Sound Recordings, 26 So. Cal. L. Rev. 139, 141 fn. 13 and 142 (1953) 11

Ladas, The International Protection of Literary and Artistic Property, Vol. 2, § 364, p. 791, fn. 414 (1938) 10

Weil, American Copyright Law, § 1109, p. 421 (1917) 11

IN THE

Supreme Court of the United States

OCTOBER TERM, 1971

No. 71-1551

PEARL ROSNER,

Petitioner,

v.

DUCHESS MUSIC CORPORATION, *et al.*,

Respondents.

BRIEF FOR THE RESPONDENTS IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Opinions Below

The opinion of the United States District Court for the District of Arizona is reported in 331 F. Supp. 127 and 170 U.S.P.Q. 391. The opinion of the United States Court of Appeals for the Ninth Circuit is reported, *sub nom.*, in 173 U.S.P.Q. 278.

Statute and Rules Involved

This case involves Sections 1(e) and 101(c), (d) and (e) of the Copyright Law, 17 U.S.C. §§ 1(e), 101(c), (d) and (e). (Section 101(e) was amended by Section 2 of Public Law 92-140, 85 Stat. 39, effective October 15, 1971, to in-

crease the remedies for the infringements of copyrighted music by the manufacture and sale of recordings thereof, and to rescind the statutory prohibition against criminal prosecution for willfully committing such infringements. The text of amended Section 101(e) is set forth in Appendix 1 hereto.) This case also involves Rules 3-6 of the rules adopted by this court for copyright infringement actions, Rules Adopted By The Supreme Court of the United States for Practice and Procedure in Actions for Copyright Infringement, 214 U.S. 533, at 536-538 (1909) as amended 307 U.S. 652 (1939), reprinted 17 U.S.C.A. 276-280. The text of the full rules is set forth as Appendix 2 hereto.

Statement of the Questions Presented for Review

The questions presented for review are the same controlling questions of law presented to the Court of Appeals pursuant to the interlocutory appeal granted under 28 U.S.C. § 1292(b). The questions are:

1. In an action for copyright infringement, the Rules of Practice adopted by the Supreme Court of the United States, implementing Sections 101(c) and 101(d) of the Copyright Law (17 U.S.C. §§ 101(c) and 101(d)) set forth a detailed procedure for seizure and impounding of ". . . alleged infringing copies, records, plates, molds, matrices, etc., or other means for making the copies alleged to infringe the *copyright* . . ." (Rules 3-6).

> Does the provision for seizure and impounding of "other means for making the copies alleged to infringe the copyright" authorize seizure and impounding of machinery, equipment and raw materials used, and designed for use, in making the infringements, or does it merely authorize seizure and impounding of items which contain an identifiable impression of the copyrighted work?

2. The compulsory license provision of the Copyright Law (17 U.S.C. § 1(e)), which applies to certain recordings of a copyrighted musical work, provides that after the copyright owner has authorized the first use of the copyrighted musical work in making such recordings, ". . . any other person may make a similar use of the copyrighted work . . ." upon specified conditions.

Does the right to make a "similar use" permit duplication of the recordings of the copyrighted musical work made by another under a license from the copyright owner, or is it restricted to making new recordings of the copyrighted musical work?

3. As a condition of obtaining a compulsory license to make certain recordings of a copyrighted musical work, it is specified in Section 101(e) of the Copyright Law (17 U.S.C. § 101(e)); ". . . whenever any person, in the absence of a license agreement, intends to use a copyrighted musical composition upon the parts of instruments serving to reproduce mechanically the musical work (recordings), relying upon the compulsory license provision of this title, he shall serve notice of such intention, by registered mail, upon the copyright proprietor at his last address disclosed by the records of the copyright office, sending to the copyright office a duplicate of such notice . . ."

May an infringer resort to the compulsory license provision for authorization to continue the manufacture of recordings which infringe copyrighted musical works, by serving notice of "intention to use" the copyrighted musical works during the pendency of an action for copyright infringement arising out of the unauthorized manufacture of the recordings?

Statement of the Case

The action is for copyright infringements arising out of the unauthorized manufacture and sale of commercial recordings, in the form of tape recordings, serving to reproduce mechanically Respondents' respective copyrighted musical works. (R. 1-25)* The following facts were uncontroverted in the District Court.

Respondents are music publishers owning or controlling the respective copyrights in numerous copyrighted musical works. (R. 1-25) Petitioner, doing business as National Manufacturing Company, is a manufacturer of unauthorized tape recordings serving to reproduce mechanically Respondents' respective copyrighted musical works. (R. 197) The manufacturing operation of Petitioner consists of producing bootleg or pirated tape recordings; duplicates of the currently most popular recorded renditions of Respondents' musical works originally made under license agreements between Respondents and legitimate recording companies. (R. 53, 54) As a result of an investigation commenced in the fall of 1970, it was ascertained that the duplicate recordings were in the form of eight-track cartridges or cassettes, the commonly accepted configurations for commercial tape recordings serving to reproduce mechanically musical works. (R. 88) It was also ascertained that the identification of the manufacturer was being deliberately concealed by use of false addresses, phony names and public telephone numbers. (R. 88) The duplicate recordings were marketed under highly sophisticated multicolored labels, reflecting the considerable effort and organization behind the manufacture. Printed catalogues were widely distributed to solicit purchasers of the duplicate recordings. (R. 88) In an attempt to curtail the exploitation thereof, Respondents instituted suits in the

---

* Record references are to the record in the Court of Appeals.

United States District Courts in Connecticut, Florida and Texas against the local distributors and retailers. (R. 88) Notwithstanding Respondents' uniform success in obtaining immediate injunctive relief therein, the manufacturer remained concealed and the exploitation continued to be extensive. (R. 88)

Thousands of dollars were spent for the work of private investigators in attempting to locate the manufacturing operation. (R. 89) Shortly before the institution of the action in the District Court it was ascertained from reports of the Phoenix Police Department that the manufacturing operation had recently moved from California to Phoenix, and that the Phoenix Police Department had conducted an extensive investigation of its activities based upon a complaint that it was in possession of certain stolen equipment used in the manufacturing process. (R. 90) It was revealed through the Phoenix Police Department that the Phoenix premises were kept under tight security of armed guards; that there were thousands of tape recordings on the premises in various stages of completion; that there were cases of catalogues identifying more than 400 different tape recordings, without any identifying manufacturer's name; that the premises housed a complete duplication center including a packaging room, a repair room, a room for storage, a workshop for repairs, a machine room, a large general work area and offices; and that a substantial amount of equipment for manufacturing recordings (specifically identified in the writ of seizure issued herein) was observed on the premises. (R. 90-92) The Phoenix Police Department was unable to identify the stolen equipment during a search pursuant to a warrant therefor, because identifying serial numbers had been removed. (R. 92)

Based upon the foregoing information, Respondents commenced this action by filing a verified complaint and an application to the court for a preliminary injunction with an

order to show cause providing for a temporary restraining order and a writ of seizure. (R. 28) As the District Court concluded:

> "The affidavit of Robert C. Osterberg filed in support of the application for an injunction and writ of seizure documents the publishers' attempts to discover the location of the defendants' highly mobile and clandestine 'bootlegging' operation. Exhibits attached to Osterberg's affidavit reflect the professional quality of the package presented to the public and the organized promotion thereof. The affidavit of Albert Berman, Managing Director of The Harry Fox Agency, Inc., the exclusive representative of all the plaintiff copyright holders herein, describes the very real economic threat bootleg tape recordings pose to the music publishing and recording industries." (331 F.Supp. at 128)

Presented with "this impressive showing of an organized yet highly mobile business operation", the District Court issued a temporary restraining order, and directed the Clerk of the Court to issue a writ of seizure "directed at the defendant's manufacturing process" (331 F.Supp. at 128), specifically encompassing:

> ". . . any and all parts of instruments serving to reproduce mechanically plaintiffs' copyrighted musical works and all means for making the same, comprehending labels, cartridges, tape recordings and machinery utilized in the manufacturing process, including Livingston recording machine—side winder, Jagerberg-Werke AG brand tape machines, Weldotron brand equipment, GRT tape winders and Craig testing tape players. . . ." (R. 32)

The Marshal, pursuant to the writ of seizure, seized and took into possession 25,000 completed tape recordings and the master recordings therefor, serving to reproduce me-

chanically the copyrighted musical works of Respondents, blank tapes and cartridges designed for use in the manufacture of tape recordings; printed labels; machinery used to transfer the sounds on to blank tape; packaging materials; and other equipment and machinery utilized in the manufacturing process. (R. 147-149)

The only defendant who appeared to object to the seizure and oppose the application for a preliminary injunction was Petitioner. (R. 297, 298) She made no claim to ownership of any of the seized articles, but based her right to object upon the mere fact that she is a defendant and was in possession of the articles at the time of the seizure. (R. 195) No claim was made that the seized machinery, equipment and raw materials were not used, or designed for use, in the process of manufacturing the infringing recordings. Petitioner objected to the scope of the seizure on the ground that the statutory authorities only contemplate the seizure and impounding of items which are of ". . . such nature that they would be the last item of identifiable character used to make an infringing copy." (R. 160) Petitioner also objected to the issuance of any injunctive relief upon the ground that the day preceding the hearing of the application for a preliminary injunction she filed "Notices of Intention" to use the copyrighted musical works of Respondents in suit pursuant to the compulsory license provision of the Copyright Law. (R. 197-202)

The Determination of the District Court

The District Court, upon reconsideration of its writ of seizure, restricted the statutory right of seizure by an application of the rule of *ejusdem generis,* and determined that Petitioner was entitled to resort to the compulsory license provision to continue manufacturing duplicates of recordings made under Respondents' prior licenses to legitimate recording companies. The District Court also

determined that Petitioner obtained a compulsory license for the future by filing notices of "intention to use" the copyrighted musical works long after her initial use had been made.

The District Court concluded: "There is no serious doubt that plaintiffs will prevail on the merits. The fact is, defendants do not really contest the allegation of infringement, as both their memoranda submitted thus far and oral argument at the show cause hearing clearly indicate." (331 F. Supp. at 136)

The Determination of the Court of Appeals

The Court of Appeals in reversing the District Court, held, with respect to the first question presented (173 U.S.P.Q. at 280, 281):

> "But the statutory mandate is clear, 'All articles alleged to infringe the copyright' are to be impounded, and 'all infringing copies * * *' are to be destroyed. . . .
>
> There is no reason here to apply the statutory construction rule of ejusdem generis[3] to narrow the items to be impounded and destroyed to the general class of plates, molds, and matrices, that is, to items embodying an identifiable impression of the copyrighted work. The statute and Supreme Court rules provide for the

---

"[3] Ejusdem generis, of the same kind, class or nature. In the construction of laws, wills and other instruments, the 'ejusdem generis rule' is that where general words follow an enumeration of persons or things, by words of a particular and specific meaning, such general words are not to be construed in their widest extent, but are to be held as applying only to persons or things of the same general kind or class as those specifically mentioned." Black's Law Dictionary (4th ed. 1968). However ejusdem generis is not to be applied to render general words meaningless, United States v. Alpers, 338 U.S. 680, 682 (1950), or to thwart Congress' intent, United States v. Gilliland, 312 U.S. 86, 93 (1941)."

impoundment and destruction of three classes of items: (1) infringing copies; (2) plates, molds, matrices, etc.; and (3) other means for making the allegedly infringing copies. If ejusdem generis is applicable here, it is applicable to construe the word 'etc.,' not the words 'other means for making such infringing copies.' Machines, blank cassettes and cartridges, blank and printed labels, and other devices are 'other means' for making infringing copies of appellants' copyrights. They fall within the scope of both the statute and the rules and were properly impounded. . . . Congress intended to impound and destroy 'the whole of the paraphernalia,' including those items which may be used for other purposes.'"[6]

"[6]See, in the December hearings, supra, n. 8, pp. 179-180, and in the Hearings on S. 2499 before the Senate and House Committees on Patents, conjointly, 60th Congress, 1st Sess. (March 1908), pp. 37, 123, and 139.

This was not the judicial practice before the Copyright Act, e.g., Morrison v. Pettibon, 87 F. 680 (N.D. Ill. 1897). However, the 1909 statute was a thorough revision of American copyright law, and the legislative hearings demonstrate that Congress was cognizant of the innocent use problem."

The Court of Appeals held, with respect to the second question presented (173 U.S.P.Q. at 281, 282):

"The statute provides that anyone who properly invokes the license provision 'may make *similar use* of the copyrighted work.' (emphasis supplied.) Rosner admits that she duplicates appellants' copyrighted compositions. She does not make 'similar use' of them, she makes exact and identical copies of them. This is clearly outside the scope of the compulsory license scheme.

* * *

Rosner may, of course, record appellants' songs, when she hires musicians, artists, and technicians. Instead, she steals the genius and talent of others.

> She deceives others into thinking that her tapes represent her own work. She has no 'right to copy.' See Capitol Records, Inc. v. Greatest Records, Inc., 43 Misc. 2d 878, 252 N.Y.S.2d 553, 142 USPQ 109 (S.Ct. 1964). She may not continue her piracy under the flag of compulsory licensing."

The Court of Appeals said, with respect to the third question presented (173 U.S.P.Q., at 281, fn. 8):

> "'[8] Given our view that exact duplication is not 'similar use,' we need not decide when a prospective licensee must invoke the compulsory license scheme and file his notice of intention to use."

The Court of Appeals denied a petition for rehearing and rejected the suggestion for a rehearing *in banc,* no judge of the court having requested a vote on the suggestion for rehearing *in banc.* (Pet. App., C-2)

ARGUMENT

The determination of the Court of Appeals is not in conflict with any prior decisions of this court.

The Court of Appeals herein interpreted the scope of the compulsory license provisions of the Copyright Law. Having determined that Petitioner was not within the intended scope of the compulsory license, she was without any authorization to make such uses of Respondents' copyrighted musical works and a bare infringer. This interpretation of the Court of Appeals is supported by a long line of authorities.

> *Aeolian Co.* v. *Royal Music Roll Co.,* 196 Fed. 926 (W.D.N.Y. 1912);
> *Ball, Law of Copyright,* § 212, pp. 462, 463 (1944);
> *Ladas, The International Protection of Literary and Artistic Property,* Vol. 2, § 364, p. 791, fn. 414 (1938);

Amdur, Copyright Law and Practice, § 6, pp. 329, 330 (1936);
Weil, American Copyright Law, § 1109, p. 421 (1917);
Diamond, Copyright Problems of The Phonograph Record Industry, 8 Bull. Cr. Soc. 337, 345 (1961);
Dubin, Copyright Aspects of Sound Recordings, 26 So. Cal. L. Rev. 139, 141, fn. 13 and 142 (1953);
Comment, Battle Over The Compulsory License: Mechanical Recordings of Music, 36 U. Colo. L. Rev. 501, 503 (1964).

Petitioner's reliance upon *Sears, Roebuck & Co.* v. *Stiffel Co.,* 376 U.S. 225 (1964); *Compco Corp.* v. *Day-Brite Lighting Inc.,* 376 U.S. 234 (1964) and *Fortnightly Corp.* v. *United Artists Television, Inc.,* 392 U.S. 390 (1968) (Pet. 12-14) is misplaced.

Sears and Compco do not involve any construction of specific provisions of the Copyright Law or the rights of copyright owners. They are addressed to the right to copy articles not protected by Federal statute. As the Court of Appeals said herein (173 U.S.P.Q. at 282):

> "Rosner asserts that the courts have recently recognized a 'right to copy' i.e., duplicate, which she is entitled to invoke. None of the cases she cites supports her claimed right to make exact and identical copies of appellants' records. In Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 140 USPQ 524 (1964), and Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234, 140 USPQ 528 (1964), the Supreme Court held only that business competitors could commercially produce an item 'substantially identical' to an item produced by another company, but unprotected by patent or copyright, without fear of liability under state unfair competition laws. In both Sears and Compco the products at issue were unprotected by patent."

Similarly inapposite is *Fortnightly,* where this court stated ". . . § 1 of the Act enumerates several 'rights' that are made 'exclusive' to the holder of the copyright. If a person, without authorization from the copyright holder, puts a copyrighted work to a use within the scope of one of these 'exclusive rights', he infringes the copyright." (392 U.S. at 394, 395), and merely held, "With due regard to changing technology, we hold that the petitioner did not under that law [1909 Copyright] 'perform' the respondent's copyrighted work" (392 U.S. at 401, 402). Petitioner herein does not dispute that she manufactured and sold recordings serving to reproduce mechanically the copyrighted musical works of respondents within the meaning of Section 101(e) of the Copyright Law (17 U.S.C. § 101(e)).

The Determination of the Court of Appeals Is Not in Conflict With Any Determination of the Court of Appeals for the Second Circuit

Petitioner claims the determination of the Court of Appeals herein is in direct conflict with the determination of the Court of Appeals for the Second Circuit in *Shapiro, Bernstein & Co.* v. *Goody,* 248 F.2d 260 (2 Cir. 1957), cert. den. 355 U.S. 952 (1958), stating that it "only permitted seizures of articles which have an identifiable impression of the copyright (sic) work" (Pet. 15).

The issue of the proper scope of a seizure order was not presented to the Court of Appeals for the Second Circuit therein and the court did not even discuss it. As the court expressly stated therein, 248 F.2d 261, 262:

> "Joseph Krug, an original defendant below, manufactured two long-play phonograph disks on which were recorded propaganda radio broadcasts made by Major Alton 'Glenn' Miller and his orchestra during the Second World War.
>
> • • •

> Nor is the defendant Joseph Krug a party to the appeal because the appellants after obtaining a default judgment against him, Miller v. Goody, D.C., 125 F.Supp. 348, agreed to a dismissal, with prejudice, as to the action against him upon the payment to them of $2,000 which, the appellants claim, was compensation for some of the expenses of the suit."

The issue involved on that appeal as defined by the court was:

> "Does either the Copyright Act or the common law provide copyright owners with a remedy against non-manufacturing sellers of unauthorized phonograph recordings of copyrighted songs?" (248 F.2 262)

Petitioner makes the same erroneous reference to the district court opinion in *Runge* v. *Lee,* 161 U.S.P.Q. 770 (C.D. Calif. 1969) aff'd O.G. 441 F.2d 579 (9 Cir. 1971) (Pet. 15). The opinion of the District Court therein is devoid of any indication that the right of seizure is limited to "seizure of articles which have an identifiable impression of the copyright (sic) work." (Pet. 15)

If Petitioner's construction of the scope of the seizure provisions is accepted, it will render the authorization to seize "other means for making such infringing copies" meaningless. Articles which embody an identifiable impression of the copyrighted work are copies thereof, and, accordingly, subject to seizure as "infringing copies."

As this court said with respect to the rule of *ejusdem generis* in *United States* v. *Alpers,* 338 U.S. 680, 682 (1949):

> "It cannot be employed to render general words meaningless. Mason v. United States, 260 U.S. 545, 554."

No Court of Appeals Has Held That a Duplicator of Another's Recordings Is Within the Purview of the Compulsory License Provision

Petitioner's further reliance on *Shapiro, Bernstein & Co.* v. *Goody,* 248 F.2d 260 (1957), cert. den. 355 U.S. 952 (1958), for the alleged proposition that a duplicator of another's recordings may invoke the compulsory license provision is clearly erroneous. (Pet. 16) The Court of Appeals for the Second Circuit never suggested the manufacturer of the recordings therein was authorized, and merely held (248 F.2d at 264):

> "A natural reading of these sections leads us to the conclusion that a seller of unauthorized records of copyrighted music, although having no connection with the manufacturer, is an infringer and liable for damages which the Act provides."

The Determination of the Court of Appeals Will Not Create Music Monopolies or Grant Copyright Protection in Perpetuity

The sole purpose of enacting the compulsory license provision was to avoid the "possibility that some one company might secure, by purchase or otherwise, a large number of copyrights of the most popular music, and by controlling these copyrights, monopolize the business of manufacturing the (sic) selling music producing machines, otherwise free to the world" (House Rep. No. 2222, at p. 7). There is no danger that this Congressional purpose will be defeated by refusing to extend the compulsory license provision to duplicators. The music continues to be freely available to all who wish to make their own recordings of the copyrighted music. Nothing in the history of the Copyright Act indicates that Congress intended to extend the compulsory license provision to duplicators.

Duplication of recordings was not an existing problem in 1909. To include duplicators within the scope of the compulsory license provision would be to extend it to include a use which Congress did not intend to encompass thereby.

The only effort which would be encouraged by an extension of the compulsory license provisions to comprehend the activities of duplicators is the non-creative parasitic activities of duplicators, who are neither authors nor inventors, merely birds of prey who appropriate the investments and creative talents of others. The public welfare is not advanced by the marketing of Petitioners' tape recordings. The public has already been offered renditions of Respondents' musical works by prominent artists such as Burt Bacharach, Elvis Presley, Johnny Cash and Credence Clearwater Revival, through the efforts of the original, legitimate recording companies. The marketing of additional copies thereof by Petitioner does not increase the selection of music offered to the public. The public welfare is best advanced by offering to the public a wide selection of renditions of Respondents' copyrighted musical works by various artists. That function is performed by the manufacturers of original recordings, not the duplicators. Making the compulsory license provisions available to duplicators would destroy the rights of the copyright proprietors to receive income from recordings and is contrary to the Constitutional basis for copyright legislation, "To promote the progress of science and the useful arts . . ." (U. S. Const., Art. I, Sec. 8, cl. 8). Few users of copyrighted music would want to make the substantial investment of time, money and creative effort necessary to make original recordings when they could be immediately duplicated. As a result, the value of the copyright owner's exclusive right to license the first recording of his copyrighted music will be seriously impaired. The public will suffer from the lack of original recordings along with the copyright proprietor. The only persons who would benefit

from such extension are society's parasites. This is not a result Congress should be deemed to have intended when it enacted the compulsory license provision.

As the three-judge Constitutional court of the District of Columbia (Fahy, C.J., Corcoran, Green, D.J.'s) said in *Shaab* v. *Kleindienst,* Civil Action No. 11-72 (D. D.C. 1972), with respect to the Constitutionality of recent legislation creating a copyright in recordings, § 1 of P.L. 92-140, 85 Stat. 391, now § 1(f) of the Copyright Law (17 U.S.C. § 1(f)), unreported memorandum opinion dated June 7, 1972 (Reprinted in its entirety as Appendix 3 hereto):

> "The provision for compulsory licensing of copyrighted musical compositions promotes the arts by permitting numerous artistic interpretations of a single written composition.
>
> If Congress in 92-140 had extended the compulsory licensing provisions to call for licensing of companies that wish to make and sell identical versions of the recorded compositions, these public benefits would not result. Consumer choices would not be broadened since identical interpretations would be supplied first by the originator and later by the licensee. Equally important, competition and the creative aspects of the industry would be impaired since established recording firms would be discouraged from investing in new arrangements and performers, if they were compelled to license their successful interpretations to those desiring to take advantage of the originator's initiative and to add nothing themselves." (App. 3, p. 26)

There is nothing to the contrary in *Shapiro, Bernstein & Co.* v. *Remington Records, Inc.,* 265 F. 2d 263 (2 Cir. 1959). The defendants therein were not duplicators, but unauthorized manufacturers of their own recordings of popular music. The appeal therein was from the District Court's confirmation of rulings of the Special Master striking expert testimony as to the extent of liability. (at 266)

Chief Justice Burger, however, writing for the Court of Appeals for the Second Circuit, did make the following poignant statements:

> "No case has yet spelled out the obligations and burdens of manufacturers who avail themselves of the record reproducing privilege under § 1(e) of the Act. We undertake to do that now for the assistance of the District Court to which the case will be remanded for further proceedings. Perhaps it will also serve as a guide, if not a deterrent, to such members of the industry who engage in what has been described as 'piracy,' but which might better be described by other terms connoting larceny; historically, at least, piracy was characterized by frontal attack with unmistakable notice to the victim who could then take such means as were available to defend himself." (at p. 269)
>
> • • • •
>
> "We will not permit commercial piracy to produce illegal gains immune from recovery. While the law cannot prevent all sin and wrongdoing it can take some of the profit out of it." (at p. 273)

There is nothing in the determination of the Court of Appeals herein which "gives the authors and publishers rights in their musical compositions forever," contrary to the Constitutional limitation that copyright protection shall be for a limited time. (Pet. 19) Respondents' copyrights and the rights thereunder are governed by the limited time expressly set forth in Section 24 of the Copyright Law (17 U.S.C. § 24).

No Constitutional Rights of Petitioner Are Involved Herein

Petitioner claims "that the Court of Appeals' decision denies petitioner the equal protection of the law when it held that a duplicator cannot use the Compulsory License scheme," relying upon *Bolling* v. *Sharpe*, 347 U.S. 497 (1954). (Pet. 19)

Petitioner has no Constitutional right to make a use of a copyrighted musical work which has been reserved to the copyright proprietor by Congress. As this Court said with respect to the Copyright Law in *Wheaton* v. *Peters*, 33 U.S. (8 Peters) 590 (1834) at p. 663:

> "No one can deny, that when the legislature are about to vest an exclusive right in an author or an inventor, they have the power to prescribe the conditions on which such right shall be enjoyed . . ."

Bolling, *supra*, applied the equal protection clause to the laws of the District of Columbia through the Fifth Amendment because, "In view of our decision that the Constitution prohibits the States from maintaining racially segregated schools, it would be unthinkable that the same Constitution would impose a lesser duty on the Federal Government." (347 U.S. at 500)

Congress, in enacting the Copyright Law saw fit to limit the compulsory license provision to persons making a "similar use" of copyrighted musical works (new recordings) and not extend it to an "identical use" (duplicates of another's recordings). All duplicators are treated equally by the Court of Appeals, they may not engage in "piracy under the flag of compulsory license." There is no constitutional requirement that the compulsory license must reach every use to which it might extend. (Accord: *Carr* v. *U.S.*, 422 F.2d 1007 (4 Cir. 1970), and authorities cited therein at 1011, 1012.)

CONCLUSION

It is respectfully submitted that the petition for a writ of certiorari should be denied.

Respectfully submitted,

JULIAN T. ABELES
ABELES AND CLARK
Attorneys for Respondents

ROBERT C. OSTERBERG
JOHN S. CLARK
Of Counsel

APPENDIX 1

Copyright Law, Section 101(e), amended effective October 15, 1971 (17 U.S.C. § 101(e)), reprinted from 17 U.S.C.A., 1972 Supp., p. 74

"§ 101. Infringement

If any person shall infringe the copyright in any work protected under the copyright laws of the United States such person shall be liable:

* * * * * * *

(e) Interchangeable parts for use in mechanical music-producing machines.—Interchangeable parts, such as discs or tapes for use in mechanical music-producing machines adapted to reproduce copyrighted musical works, shall be considered copies of the copyrighted musical works which they serve to reproduce mechanically for the purposes of this section 101 and sections 106 and 109 of this title, and the unauthorized manufacture, use, or sale of such interchangeable parts shall constitute an infringement of the copyrighted work rendering the infringer liable in accordance with all provisions of this title dealing with infringements of copyright and, in a case of willful infringement for profit, to criminal prosecution pursuant to section 104 of this title. Whenever any person, in the absence of a license agreement, intends to use a copyrighted musical composition upon the parts of instruments serving to reproduce mechanically the musical work, relying upon the compulsory license provision of this title, he shall serve notice of such intention, by registered mail, upon the copyright proprietor at his last address disclosed by the records of the copyright office, sending to the copyright office a duplicate of such notice.

* * * * * * *

As amended Oct. 15, 1971, Pub.L. 92-140, § 2, 85 Stat. 392."

APPENDIX 2

Rules Adopted by the Supreme Court of the United States for Practice and Procedure in Actions for Copyright Infringement, reprinted from 17 U.S.C.A., pp. 276-281

Rules Adopted by the Supreme Court of the United States[1] for Practice and Procedure Under Section 25[2] of an Act to Amend and Consolidate the Acts Respecting Copyright, Approved March 4, 1909

1.

Proceedings in actions brought under section 25[2] of the Act of March 4, 1909, entitled "An Act to amend and consolidate the acts respecting copyright," including proceedings relating to the perfecting of appeals, shall be governed by the Rules of Civil Procedure, insofar as they are not inconsistent with these rules.

[2. Rescinded]

3.

Upon the institution of any action, suit or proceeding, or at any time thereafter, and before the entry of final judgment or decree therein, the plaintiff or complainant, or his authorized agent or attorney, may file with the clerk of any court given jurisdiction under section 34[2] of the Act of March 4, 1909, an affidavit stating upon the best of his knowledge, information and belief, the number and location, as near as may be, of the alleged infringing copies,

---

[1] 214 U. S. 533 (1909), as amended by 307 U. S. 652 (1939).

[2] Historical note: Sections 25 and 34 of the Act of March 4, 1909, as amended, later became sections 101 and 110, respectively, of Title 17 of the United States Code by the Act of July 30, 1947 (61 Stat. 652). Sections 101 (f) and 110 were repealed by the Act of June 26, 1948 (62 Stat. 869).

records, plates, molds, matrices, etc., or other means for making the copies alleged to infringe the copyright, and the value of the same, and with such affidavit shall file with the clerk a bond executed by at least two sureties and approved by the court or a commissioner thereof.

4.

Such bond shall bind the sureties in a specified sum, to be fixed by the court, but not less than twice the reasonable value of such infringing copies, plates, records, molds, matrices, or other means for making such infringing copies, and be conditioned for the prompt prosecution of the action, suit or proceeding; for the return of said articles to the defendant, if they or any of them are adjudged not to be infringements, or if the action abates, or is discontinued before they are returned to the defendant; and for the payment to the defendant of any damages which the court may award to him against the plaintiff or complainant. Upon the filing of said affidavit and bond, and the approval of said bond, the clerk shall issue a writ directed to the marshal of the district where the said infringing copies, plates, records, molds, matrices, etc., or other means of making such infringing copies shall be stated in said affidavit to be located, and generally to any marshal of the United States, directing the said marshal to forthwith seize and hold the same subject to the order of the court issuing said writ, or of the court of the district in which the seizure shall be made.

5.

The marshall shall seize said articles or any smaller or larger part thereof he may then or thereafter find, using such force as may be reasonably necessary in the premises, and serve on the defendant a copy of the affidavit, writ and bond by delivering the same to him personally, if he can be found within the district, or if he cannot be found,

to his agent, if any, or to the person from whose possession the articles are taken, or if the owner, agent, or such person cannot be found within the district, by leaving said copy at the usual place of abode of such owner or agent, with a person of suitable age and discretion, or at the place where said articles are found, and shall make immediate return of such seizure, or attempted seizure, to the court. He shall also attach to said articles a tag or label stating the fact of such seizure and warning all persons from in any manner interfering therewith.

6.

A marshal who has seized alleged infringing articles, shall retain them in his possession, keeping them in a secure place, subject to the order of the court.

7.

Within three days after the articles are seized, and a copy of the affidavit, writ and bond are served as hereinbefore provided, the defendant shall serve upon the clerk a notice that he excepts to the amount of the penalty of the bond, or to the sureties of the plaintiff or complainant, or both, otherwise he shall be deemed to have waived all objection to the amount of the penalty of the bond and the sufficiency of the sureties thereon. If the court sustain the exceptions it may order a new bond to be executed by the plaintiff or complainant, or in default thereof within a time to be named by the court, the property to be returned to the defendant.

8.

Within ten days after service of such notice, the attorney of the plaintiff or complainant shall serve upon the defendant or his attorney a notice of the justification of the sureties, and said sureties shall justify before the court or a judge thereof at the time therein stated.

9.

The defendant, if he does not except to the amount of the penalty of the bond or the sufficiency of the sureties of the plaintiff or complainant, may make application to the court for the return to him of the articles seized, upon filing an affidavit stating all material facts and circumstances tending to show that the articles seized are not infringing copies, records, plates, molds, matrices, or means for making the copies alleged to infringe the copyright.

10.

Thereupon the court in its discretion, after such hearing as it may direct, may order such return upon the filing by the defendant of a bond executed by at least two sureties, binding them in a specified sum to be fixed in the discretion of the court, and conditioned for the delivery of said specified articles to abide the order of the court. The plaintiff or complainant may require such sureties to justify within ten days of the filing of such bond.

11.

Upon the granting of such application and the justification of the sureties on the bond, the marshal shall immediately deliver the articles seized to the defendant.

12.

Any service required to be performed by any marshal may be performed by any deputy of such marshal.

13.

For services in cases arising under this section, the marshal shall be entitled to the same fees as are allowed for similar services in other cases.

APPENDIX 3

Shaab v. Kleindienst, Civil Action No. 11-72 (D.D.C. 1972), Unreported Memorandum Opinion (Fahy, C.J., Corcoran, Green, D.J.'s), dated June 7, 1972

This three-judge court was convened pursuant to plaintiff's application under 28 U.S.C. §§ 2282 and 2284.

This is a suit to enjoin the Attorney General, as the official charged with enforcing the criminal provisions of the Copyright Act; and the Librarian of Congress, as the official responsible for administration of the Copyright Office, from implementing and enforcing the provisions of P.L. 92-140, 85 Stat. 391, approved October 15, 1971, which establish copyright protection for sound recordings. Plaintiff contends that sound recordings do not qualify as writings of an author which may be copyrighted under Article I, Section 8 of the Constitution. Plaintiff alleges further that Congress' failure to provide for compulsory licensing of those recordings which are copyrighted gives rise to an invidious discrimination against one who like himself is subject to compulsory licensing of his musical compositions. Finally, plaintiff claims that the statute is unconstitutional for vagueness.

Technical advances, unknown and unanticipated in the time of our founding fathers, are the basis for the sound recording industry. The copyright clause of the Constitution must be interpreted broadly to provide protection for this method of fixing creative works in tangible form.

Sound recording firms provide the equipment and organize the diverse talents of arrangers, performers and technicians. These activities satisfy the requirements of authorship found in the copyright clause, which point has been conceded by the plaintiff at oral argument.

The 1909 revision of the copyright clause contains a compulsory licensing provision with respect to copyrighted musical compositions. There is no such provision in 92-140. The Court finds this distinction between the two provisions

is rational and reasonable. The provision for compulsory licensing of copyrighted musical compositions promotes the arts by permitting numerous artistic interpretations of a single written composition.

If Congress in 92-140 had extended the compulsory licensing provisions to call for licensing of companies that wish to make and sell identical versions of the recorded compositions, these public benefits would not result. Consumer choices would not be broadened since identical interpretations would be supplied first by the originator and later by the licensee. Equally important, competition and the creative aspects of the industry would be impaired since established recording firms would be discouraged from investing in new arrangements and performers, if they were compelled to license their successful interpretations to those desiring to take advantage of the originator's initiative and to add nothing themselves.

The purpose of Public Law 92-140 is to provide a limited copyright in sound recordings to protect against unauthorized duplication and "piracy." The specific language in the bill is designed to carry out that purpose. Accordingly, the argument that the legislation is ambiguous is without merit.

For the foregoing reasons, it is by the Court, this 7th day of June 1972,

ORDERED that the motion of plaintiffs for summary judgment be and the same hereby is denied; and it is

FURTHER ORDERED that the motions for defendants to dismiss complaint, or in the alternative, for judgment on the pleadings, should be and the same hereby are granted, and judgment is entered in favor of defendants with costs.

JUNE L. GREEN, D.J.

HOWARD F. CORCORAN, D.J.

CHARLES FAHY, C.J.